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ONE HUNDRED NINTH CONGRESS

U.S. House of Representatives
Committee on Energy and Commerce
Washington, DC 20515-6115

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April 5, 2006

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Mr. Kevin Hostler
President and CEO
Alyeska Pipeline
P.O. Box 196660
Anchorage, Alaska 99519

Dear Mr. Hostler:

On March 24, 2006, we sent the attached letter to BP Exploration (Alaska) Inc. (BP) regarding the major spill that occurred on the North Slope in which more than 200,000 gallons of crude leaked from a major delivery line that delivers crude to the Trans Alaskan Pipeline System (TAPS). As you know, this unfortunately is the largest spill ever to occur on the North Slope, and one of the largest in Alaskan history.

In preliminary discussions with senior BP officials, staff was informed that although company officials are still examining the root causes of the spill, the leading explanation appears to be corrosion. While it is still unclear what caused the corrosion, we do understand that BP believes its onset was extremely rapid and may have developed in as little as six months. We also understand that some in BP believe that the corrosion may have been caused by an emulsion-breaking additive, and that this substance had not been regularly used by BP on these lines.

BP believes that this additive may have caused this rapid onset of corrosion because, according to what they told our staff, the particular line in question had been tested using ultrasonic methods within the past six months, and that BP believes that the last period of testing found that the thickness of the areas of the pipe's walls tested were found to be within tolerance. Assuming the theory that the rapid onset of corrosion was caused by the emulsion-breaking additive proves true, it would suggest that TAPS itself may be vulnerable to the same corrosion caused by the additive. At a minimum, we are presuming that key officials at Alyeska have already begun to test for this possibility. Therefore, given these early theories and the possible linkage of events on the BP lines affecting TAPS, we would appreciate you addressing the following:

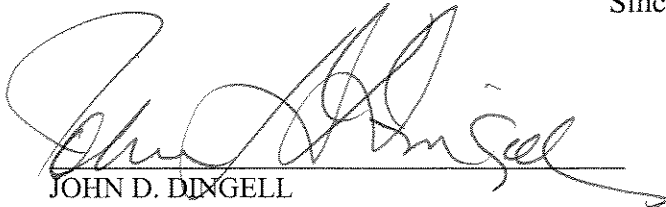
Mr. Kevin Hostler

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1. What knowledge do Alyeska officials have regarding the additive(s) that some in BP are suggesting has caused severe and rapid onset of corrosion on the main oil transit line (OTL) which recently leaked? Does Alyeska use any of such additives on its own line? If so, was corrosion at all associated with its use? Are these additives tested prior to use to insure that they do not have corrosive properties?
2. Has Alyeska determined if the additives used by BP on the OTL had any impact on TAPs, and if so, how and when was this determined?
3. Was Alyeska informed that additives would be added to upstream operations which could have some impact on the integrity of the TAPs? Is it common operator procedure to inform Alyeska of activities on feeder lines that may impact TAPs operations? If so, how was this done in this case?
4. What are Alyeska's methods (smart and maintenance pigging, etc.) and frequency of testing for corrosion on TAPS?

We appreciate your cooperation and assistance in these matters of energy transport, security, and safety. If you need further information regarding this request, please contact us or have your staff contact Mr. Christopher Knauer with the Committee on Energy and Commerce Democratic staff at (202) 226-3400 or Mr. Jeff Petrich with the Committee on Resources Democratic staff at (202) 225-6065.

Sincerely,



JOHN D. DINGELL
RANKING MEMBER
COMMITTEE ON ENERGY AND COMMERCE



GEORGE MILLER
MEMBER
COMMITTEE ON RESOURCES

Attachment

cc: The Honorable Joe Barton, Chairman
Committee on Energy and Commerce

Mr. Brigham McCown, Acting Administrator
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation

Congress of the United States
Washington, DC 20515

March 24, 2006

Mr. Steve Marshall
President
BP Exploration (Alaska) Inc.
900 East Benson Blvd.
Anchorage, Alaska 99508

Dear Mr. Marshall:

Thank you for meeting with our staffs last week to discuss the North Slope oil spill currently being addressed by cleanup crews. It is our understanding that at least 200,000 gallons of crude have leaked so far from a major supply line, which ultimately delivers product to the Trans Alaskan Pipeline. This is now, unfortunately, the largest spill ever to occur on the North Slope, and one of the largest in Alaskan history. We understand that the failed line is currently being operated by BP Exploration (Alaska) Inc. (BP).

We are informed that, although company officials are still examining the root causes of the spill, the existing leak detection system failed to discover the leak. We also understand that the leading explanation appears to be corrosion and that this occurred in an area where the line dips underground at what is commonly called a "caribou crossing." While it is still unclear what caused the corrosion, we do understand that BP believes its onset was quite rapid and may have developed in as little as six months. Further, we are informed – through our staff's discussion with you and your staff – that this particular line had been tested using ultrasonic methods within the past six months, and that BP believes that the last period of testing found that the thickness of the areas of the pipe's walls that were tested were found to be within tolerance.

While we applaud such testing, we still remain unclear where such tests were taken and whether such tests were made on the section that ultimately failed. Moreover, we are unclear whether any of the spot testing associated with ultrasonic testing can or should be seen as representative of the entire line's condition. This is particularly important as we understand that this line had not been examined with a "smart pig" since 1998 – a process in which corrosion or other anomalies can be more thoroughly detected. In fact, we are still trying to understand the frequency at which this line was pigged (either via "maintenance pig" or "smart pig") and we look forward to receiving information that details both the frequency and method(s) used to examine this line. It is our understanding that such information will be made available to us soon.

Mr. Steve Marshall

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We recently received correspondence that raised some concerns about BP inspection methods, particularly those relating to corrosion matters. We therefore have several questions that we would ask you to respond to in order for us to better understand what specifically failed and what lessons have been learned to avoid future spills. As some of our questions may pertain to the upcoming reauthorization of the Pipeline Safety Improvement Act of 2002, we ask that you respond to the attached questions by no later than Monday, April 3, 2006.

We appreciate your cooperation and assistance in these matters of energy transport, security, and safety. If you need further information regarding this request, please contact us or our staff, Mr. Christopher Knauer with the Committee on Energy and Commerce Democratic staff at (202) 226-3400, or Mr. Jeff Petrich with the Committee on Resources Democratic staff at (202) 225-6065.

Sincerely,



JOHN D. DINGELL
RANKING MEMBER
COMMITTEE ON ENERGY AND COMMERCE



GEORGE MILLER
MEMBER
COMMITTEE ON RESOURCES

Attachment

cc: The Honorable Joe Barton, Chairman
Committee on Energy and Commerce

Mr. Brigham McCown, Acting Administrator
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation

**Questions for Steve Marshall, President
BP Exploration (Alaska) Inc.**

1. Please provide a detailed schedule of all corrosion testing for the entire Oil Transit Line (OTL). For this effort, please delineate the type of testing used (e.g. visual, smart pigging, ultrasonic spot, etc.). Please also indicate where specifically any testing occurred.
2. Please indicate whether BP had any specific warning(s) that the OTL faced significant corrosion issues from within the company or through outside engineers or consultants. If so, did any reports or consultations predict problems in the low-lying caribou crossings? If so, please describe those reports or consultations.
3. If the OTL had not been smart pigged since 1998 (as reports claim), please indicate why it was not deemed prudent by BP to apply technology with greater frequency to such a strategic line.
4. Please specify where ultrasonic tests were taken on the failed line prior to the leak, and where those tests were taken relative to the failed section. In particular, was the failed section tested prior to the leak? If not, why not? Also, does BP believe that a test measuring tolerances in one section of the OTL to be representative of tolerances for the entire line? Please explain.
5. It has been reported to us that the line in question, while having a low water cut, also has a very low flow rate and that this essentially makes the OTL a giant "oil-water separator." We are advised that results in the settlement of solids in the underlying layer of stagnant water. Is this the case? If so, what are or were the implications of this?
6. Were significant amounts of solids known to be present in the bottom of the line prior to the leak, particularly at the caribou crossings where the pipeline dips? Have significant amounts of sludge been found at the caribou crossings since examining the pipeline post leak? If solids were known, what concern(s) would this pose to the line? Also, if solids were deemed a concern, would a maintenance pig have been able to remove them and by removing them, would this in any way have made the line less likely to fail?
7. Please explain why the leak detection system on the OTL line failed to detect the leak and what changes will be made to leak detection systems on this and all of the BP North Slope lines.